

AMENDED IN SENATE APRIL 17, 2006

AMENDED IN SENATE MARCH 27, 2006

SENATE BILL

No. 1511

Introduced by Senator Ducheny

February 23, 2006

An act to add Section 43013.4 to the Health and Safety Code, relating to vehicular air pollution, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1511, as amended, Ducheny. Renewable fuels: regulations.

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution. Existing law permits the state board to adopt and implement motor vehicle emission standards, in-use performance standards, and motor vehicle fuel specifications for the control of air contaminants and sources of air pollution that the state board has found to be necessary, cost effective, and technologically feasible, as provided.

This bill would require the state board, ~~on or before January 1, 2007, to amend existing motor vehicle fuel specifications to optimize them for the increased use of renewable fuels, as prescribed, as a part of the California Phase 3 Reformulated Gasoline regulations update to be concluded by January 1, 2007, to amend existing California cleaner burning gasoline regulations, as defined, to optimize the regulations for the increased use of renewable fuels in the California transportation fuel market, as specified.~~

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. The Legislature finds and declares all of the*
2 *following:*

3 *(a) Renewable fuels have the potential to strengthen*
4 *California's economy by providing job growth and tax revenue*
5 *and by reducing the state's vulnerability to petroleum price*
6 *volatility by adding critically needed domestic fuel supply.*

7 *(b) The State Energy Resources Conservation and*
8 *Development Commission and the State Air Resources Board*
9 *recommended in their August 2003 report, "Reducing*
10 *California's Petroleum Dependency," that the state adopt the*
11 *goal of increasing the use of non-petroleum fuel to 20 percent of*
12 *on-road fuel consumption by the year 2020 and 30 percent by the*
13 *year 2030.*

14 *(c) The Governor has established targets to reduce*
15 *greenhouse gas emissions to 2000 levels by 2010, to 1990 levels*
16 *by 2020, and to 80 percent below 1990 levels by 2050.*

17 *(d) Renewable fuels are an immediately viable strategy to*
18 *reduce greenhouse gas emissions in the transportation sector;*
19 *which is California's largest source of carbon dioxide emissions.*

20 *(e) The use of renewable fuels in California should maintain*
21 *or improve the air quality and emission benefits achieved by*
22 *current law.*

23 *(f) Current California Phase 3 Reformulated Gasoline*
24 *regulations are calibrated to provide flexibility for the use of*
25 *non-oxygenated, 100 percent petroleum fuels to expedite the*
26 *phase out of the gasoline additive methyl tertiary-butyl ether*
27 *(MTBE).*

28 *(g) The MTBE phase out concluded on December 31, 2002,*
29 *and the promotion of 100 percent petroleum fuels no longer*
30 *reflects the state's policy goals with regard to the California*
31 *transportation fuels sector.*

32 *(h) The State Air Resources Board updates the California*
33 *reformulated gasoline regulations approximately every five*

years, and the most recent update, already underway, will be completed by 2007.

SECTION 1.

SEC. 2. Section 43013.4 is added to the Health and Safety Code, to read:

43013.4. ~~(a) On or before January 1, 2007, the state board shall amend existing regulations relating to motor vehicle fuel specifications to optimize those specifications for the increased use of renewable fuels in the California gasoline and diesel fuel markets.~~

~~(b) The revised motor vehicle fuel specifications shall do at least all of the following:~~

~~(1) Establish fuel control parameters that provide transportation fuel refiners and marketers with maximum flexibility to blend renewable fuels in varying percentages above 6 percent on a year-round basis with any California certified base gasoline.~~

~~(2) Establish, where possible, fuel control parameters that provide transportation fuel refiners and marketers with maximum flexibility to utilize, by volume, between 6 and 10 percent ethanol and 5 percent biodiesel blends, in order to maximize the use of renewable fuels within current vehicle manufacturer warranties.~~

~~(3) Establish fuel control parameters that minimize the negative air quality impacts and maximize the positive air quality impacts created by blending renewable and fossil fuels.~~

~~(4) Take into account, to the maximum degree feasible, both onroad and offroad emissions in order to provide the most accurate emissions and air quality profile of renewable fuel blends.~~

~~(5) Ensure that the air quality benefits achieved by California Phase 3 Reformulated Gasoline, to bring into account but not limited to, the volatile organic compound (VOC), carbon monoxide (CO), and Nitrogen oxides (NOx) emissions data under consideration by the state board for inclusion in the updated California Phase 3 Reformulated Gasoline Predictive Model, are maintained or improved upon as determined by the full weight of evidence following an analytic approach, consistent with existing law.~~ *(a) For purposes of this section, the following definitions shall apply:*

1 (1) “Blending impacts” means unwanted impacts that occur
2 as a direct result of the reaction that takes place between
3 renewable fuels and gasoline under some blend scenarios. For
4 the purposes of this section, blending impacts include any
5 impacts that occur as a result of the interaction between
6 renewable fuels and petroleum that inhibit the use of renewable
7 fuels.

8 (2) “California cleaner burning gasoline regulations” means
9 all current and future California gasoline regulations adopted
10 and enforced by the state board for the purpose of controlling
11 vehicle or fuel emissions or fuel content, including the California
12 Phase 3 Reformulated Gasoline (CaRFG3) program
13 specifications and the CaRFG3 Predictive Model.

14 (3) “Certified California base gasoline” means any California
15 reformulated gasoline blendstock for oxygen blending
16 (CARBOB) certified for use in California, by the state board
17 under the California cleaner burning gasoline program.

18 (4) “Fuel control parameter” means the fuel-content limits
19 and caps on specific fuel blend properties adopted and enforced
20 by the state board under the California cleaner burning gasoline
21 program.

22 (b) As a part of the California Phase 3 Reformulated Gasoline
23 regulations update to be concluded by January 1, 2007, the state
24 board shall amend existing California cleaner burning gasoline
25 regulations to optimize the regulations for the increased use of
26 renewable fuels in the California transportation fuel market.

27 (c) The state board shall ensure that the amended California
28 cleaner burning gasoline regulations do all of the following:

29 (1) Establish fuel control parameters that provide
30 transportation fuel refiners and marketers with maximum
31 flexibility to increase the use of renewable fuels, in varying
32 percentages above current levels on a year-round basis, with any
33 certified California base gasoline.

34 (2) Where feasible, establish fuel control parameters that
35 provide transportation fuel refiners and marketers with maximum
36 flexibility to utilize, by volume, between six and ten percent
37 ethanol blends, in order to maximize the use of renewable fuels
38 within current vehicle manufacturer warranties.

39 (3) Establish fuel control parameters that minimize the
40 blending impacts of renewable and petroleum fuels.

1 (4) Take into account, to the maximum degree feasible, both
2 on and off road emissions impacts in order to provide the most
3 accurate emissions and air quality profile of renewable fuel
4 blends.

5 (d) In the design of the analysis used to amend the California
6 cleaner burning gasoline regulations, including in the selection
7 of assumptions and the interpretation of any inconclusive data
8 results, the state board shall exercise its discretion in a manner
9 that increases flexibility for the use of renewable fuels, consistent
10 with the state's goal of increasing the use of renewable fuel
11 resources to meet the state's energy demands, and within the
12 constraints of subdivision (d).

13 (e) The state board shall ensure that the amended California
14 cleaner burning gasoline regulations maintain or improve upon
15 the emissions and air quality benefits achieved by the California
16 Phase 3 Reformulated Gasoline program, including emissions
17 reductions for all pollutants and precursors identified in the State
18 Implementation Plan for ozone, including emissions of
19 potency-weighted toxics compounds and particulate matter.

20 ~~SEC. 2.~~

21 SEC. 3. This act is an urgency statute necessary for the
22 immediate preservation of the public peace, health, or safety
23 within the meaning of Article IV of the Constitution and shall go
24 into immediate effect. The facts constituting the necessity are:

25 In order to help ensure, at the earliest possible time, that the
26 State Air Resources Board is able to adopt regulations to increase
27 the use of renewable fuels, and thereby protect public health and
28 safety, it is necessary that this act take effect immediately.